

Honolulu, Hawaii

APR 30 2015

RE: S.B. No. 717  
S.D. 2  
H.D. 1  
C.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 717, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHANOL,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Increase the membership of the Petroleum Advisory Council to include a representative of the biofuel industry and a representative of the biotechnology industry;
- (2) Require the Petroleum Advisory Council to study the impacts Hawaii's ethanol requirement has had on the State and the effects of repealing this requirement; and
- (3) Require the Petroleum Advisory Council to submit a report of its findings and recommendations, including any



proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2016.

Your Committee on Conference finds that since 2006, Hawaii has required that gasoline sold in the State include ten percent ethanol. However, despite dozens of biomass, biodiesel, and ethanol facilities that have been proposed for Hawaii, no ethanol plants currently exist in the State. The requirement of blending ethanol into Hawaii's gasoline does not produce any economic benefit for the State, and the import of ethanol creates an economic burden for state residents. The repeal of the ethanol gasoline requirement will ensure that any added costs associated with ethanol blending will not affect gasoline price and supply.

Your Committee on Conference has amended this measure by:

- (1) Reverting to the S.D. 1 version, which repeals the requirement that gasoline sold in the State for use in motor vehicles include ten percent ethanol; and
- (2) Changing the effective date to December 31, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 717, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 717, S.D. 2, H.D. 1, C.D. 1.



Respectfully submitted on behalf  
of the managers:

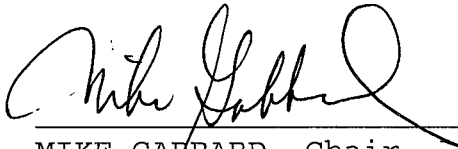
ON THE PART OF THE HOUSE

  
CHRIS LEE, Co-Chair

  
HENRY J.C. AQUINO, Co-Chair

  
ANGUS L.K. MCKELVEY, Co-Chair

ON THE PART OF THE SENATE

  
MIKE GABBARD, Chair

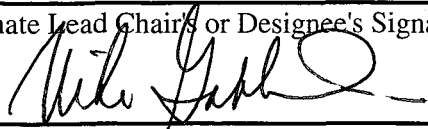
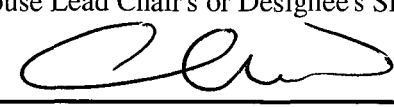
  
ROSALYN H. BAKER, Co-Chair



# Hawaii State Legislature

CUR 21

## Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: <b>SB 717, SD 2, HD 1</b>					Date/Time: <b>4-30-15 11:12 a.m.</b>				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
GABBARD, Mike, Chr.	✓				LEE, Chris, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				AQUINO, Henry J.C., Co-Chr.				✓
SLOM, Sam				✓	MCKELVEY, Angus L.K., Co-Chr.	✓			
					NAKASHIMA, Mark M.				✓
					THIELEN, Cynthia	✓			
TOTAL	2	-	-	1	TOTAL	3	-	-	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 				
<b>Distribution:</b> <b>Original</b> <b>Yellow</b> <b>Pink</b> <b>Goldenrod</b> <i>File with Conference Committee Report</i> <i>House Clerk's Office</i> <i>Senate Clerk's Office</i> <i>Drafting Agency</i>									